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9 UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON
10 AT SPOKANE

11 AEGIS, MISSION ESSENTIAL
PERSONNEL, L.L.C.,

12 Plaintiff,

13 v.

14 UNIVERSAL FUNDING
CORPORATION,

15 Defendant.
16

No.

COMPLAINT FOR BREACH OF
CONTRACT, DECLARATORY
JUDGMENT, INJUNCTIVE
RELIEF, AND ACCOUNTING

17 Plaintiff, Aegis, Mission Essential Personnel LLC (“Aegis”), states its
18 claims against Defendant Universal Funding Corporation (“Universal”) as follows:
19

20 **I. PARTIES**

21 1. Plaintiff Aegis is an Ohio limited liability company with its principle
22 place of business located in Columbus, Ohio.
23

24 2. Defendant Universal is a Washington corporation doing business in
25 Spokane County, Washington.

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1 **II. JURISDICTION AND VENUE**

2 **3.** This Court has jurisdiction pursuant to 28 U.S.C. § 1332 because the
3
4 matter in controversy is between citizens of Ohio and Washington, and the amount
5 in controversy exceeds \$75,000.

6 **4.** Venue is proper in the United States District Court for the Eastern
7
8 District of Washington pursuant to 28 U.S.C. § 1391 because this judicial district is
9 where the defendant resides and where a substantial part of the events or omissions
10 giving rise to the claim occurred.

11
12 **III. FACTS**

13 **5.** On or about March 9, 2005, Aegis and Universal entered into a
14 factoring agreement (the "Purchase Agreement").

15
16 **6.** Under the terms of the Purchase Agreement, Aegis agreed to transfer
17 and assign certain of its accounts receivable ("Accounts") to Universal. In
18 exchange, Universal agreed to promptly advance a percentage of the value of each
19 such Account to Aegis and upon collection in full of each such Account, pay over
20 to Aegis the remaining sums, less any service fees and deductions properly due
21 Universal.
22

23
24 **7.** The Accounts assigned to Universal under the Purchase Agreement
25 related to work Aegis provided to the State Department of the United States of

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1 America ("State Department"). Universal required Aegis to provide an assignment
2 of payment to the State Department. Aegis executed all documents required by
3 Universal for the assignment of payment.
4

5 8. Under the terms of the Purchase Agreement, if any payment was
6 transmitted to Aegis instead of Universal, Aegis was required to remit the funds to
7 Universal "immediately" or Aegis would be charged a penalty fee of fifteen
8 percent (15%) of the Account amount.
9

10 9. On or about March 22, 2005, Aegis delivered a State Department
11 Account to Universal in the amount of \$536,151.88 (the "First Account").
12

13 10. On or about March 24, 2005, Universal advanced \$337,302.97 on the
14 First Account. Universal applied a 1.15% service fee to the full amount of the First
15 Account, charged a \$5,000 closing fee, and a \$30.00 wire transfer fee. After such
16 deductions, the final payment on the First Account should have been \$198,848.91.
17

18 11. On or about April 4, 2005, the State Department wire transferred
19 directly to Aegis \$536,151.88, paying in full the First Account. Aegis immediately
20 forwarded this payment to Universal as required under the terms of the Purchase
21 Agreement.
22
23
24
25

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1 12. On or about April 5, 2005, Universal wired to Aegis an amount
2 approximately \$13,432.91 less than the expected \$198,848.91. Universal provided
3 no explanation of the discrepancy.
4

5 13. On or about April 29, 2005, Aegis delivered a State Department
6 Account to Universal in the amount of \$640,444.88 (the "Second Account").
7

8 14. On or about May 2, 2005, Universal advanced Aegis \$408,894.05,
9 after applying a 1.15% service fee to the full amount of the Second Account.
10

11 15. On or about May 9, 2005, Aegis delivered a State Department
12 Account to Universal in the amount of \$510,462.07 (the "Third Account").
13

14 16. Universal, in violation of its obligations under the Purchase
15 Agreement, failed to advance any funds to Aegis on the Third Account.
16

17 17. On or about June 8, 2005, Aegis learned from Universal that
18 Universal was wrongfully withholding the final payment on the Second Account
19 and wrongfully refusing to advance funds on the Third Account. Aegis discovered
20 that the State Department had made the final payment on the Second Account
21 directly to Aegis. Aegis promptly discussed the situation with Universal and the
22 parties agreed that Aegis would remit to Universal \$464,585.13 to address the
23 State Departments' payment directly to Universal and Universal would wire
24 \$331,800.35 (advance funds on the Third Account) back to Aegis.
25

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1 **18.** Aegis performed as agreed and wired \$464,585.13 to Universal on or
2 about June 9, 2005. Universal, after receiving the funds from Aegis, breached its
3 agreement with Aegis and refused and failed to wire the \$331,800.35 to Aegis.
4 Universal also purported to assess fees in the approximate amount of \$55,691.00
5 without providing any grounds for such assessment.
6

7
8 **19.** On or about June 7, 2005, Aegis delivered an Account to Universal in
9 the amount of \$633,719.57 (the "Fourth Account").

10 **20.** Universal, in violation of its obligations under the Purchase
11 Agreement, refused to advance any funds to Aegis on the Fourth Account.
12

13 **21.** On or about June 24, 2005, the State Department paid Universal in
14 full on the Third and Fourth Accounts.
15

16 **22.** On or about June 24, 2005, after receiving payment in full, Universal
17 wrongfully transferred only a portion of the funds due to Aegis on the Third and
18 Fourth Accounts. Universal failed and refused to pay all amounts due to Aegis on
19 the remainder of the Third and Fourth Accounts even though Universal had been
20 paid in full.
21

22 **23.** On or about June 29, 2005, Aegis member and officer, Greg Miller,
23 traveled from Cleveland, Ohio to Spokane, Washington in order to discuss with
24
25

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1 Universal its wrongful refusal to release the remaining funds it received from the
2 State Department on both the Third and Fourth Accounts.

3
4 **24.** After a discussion with Mr. Miller, Universal agreed to release most
5 of the funds but withheld approximately \$57,475.00 from the total. Universal
6 failed to provide Aegis any basis for such withholding.
7

8 **25.** On or about July 11, 2005, Aegis delivered a State Department
9 Account to Universal in the amount of \$385,817.65 (the "Fifth Account").

10 **26.** Universal, in violation of its obligations under the Purchase
11 Agreement, failed and refused to advance, and continues to refuse to advance or
12 pay, any funds to Aegis on the Fifth Account.
13

14 **IV. FIRST CAUSES OF ACTION**

15 **(Material Breach of Contract**

16 **And Breach of Duty of Good Faith And Fair Dealing)**

17
18 **27.** Plaintiff realleges and incorporates paragraphs 1-26 as fully set forth
19 herein.
20

21 **28.** Universal has materially breached the Purchase Agreement and
22 breached its duty of good faith and fair dealing by refusing to make any payment
23 on the Fifth Account; by wrongfully assessing fees in violation of the Purchase
24 Agreement; by wrongfully withholding amounts on the Third and Fourth Accounts
25

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1 in violation of the Purchase Agreement; and by wrongfully assessing factoring
2 service fees in violation of the Purchase Agreement.
3

4 **29.** Universal breached the parties agreement, made on or about June 8,
5 2005 relating to the Second and Third Accounts.
6

7 **30.** Aegis has been damaged by Universal's material breaches of the
8 Purchase Agreement and breach of the duty of good faith and fair dealing.
9

10 **31.** Aegis has been relieved of any obligation of further performance by
11 reason of Universal's material breaches of the Purchase Agreement and the June 8,
12 2005 agreement and the duty of good faith and fair dealing.
13

14 **32.** As a result of Universal's breaches of the Purchase Agreement, and its
15 breach of the duty of good faith and fair dealing as described above, Aegis has
16 sustained damages in an amount to be determined at trial.
17

18 **V. SECOND CAUSE OF ACTION**

19 **(Declaratory Judgment; Unenforceable Penalty)**

20 **33.** Plaintiff realleges and incorporates paragraphs 1- 32 as fully set forth
21 herein.
22

23 **34.** Plaintiff is entitled to a declaratory judgment declaring that the
24 misdirected payment penalty and other charges are unenforceable penalties.
25

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1 **VI. THIRD CAUSE OF ACTION**

2 **(Injunctive Relief and Accounting)**

3
4 **35.** Plaintiff realleges and incorporates paragraphs 1- 34 as fully set forth
5 herein.

6 **36.** Universal has wrongfully withheld funds to which it has no claim of
7
8 any kind and Aegis is entitled to a mandatory injunction requiring that such funds
9 be paid to Aegis.

10 **37.** Universal has wrongfully refused to terminate the assignment of
11
12 payment with the State Department, despite a request to do so, and Aegis is being
13 damaged in its business relationships with other parties because of Universal's
14 actions. Aegis is entitled to a mandatory injunction requiring Universal to
15 terminate the assignment of payment.
16

17 **38.** Aegis is entitled to an accounting from Universal for all transactions,
18 fees charged, deductions, etc.
19

20 **VII. PRAYER FOR RELIEF**

21 Plaintiff prays for judgment and relief as follows:

22
23 1. Judgment for all direct, consequential, and incidental damages against
24 Universal for its breaches of the Purchase Agreement and other agreements with
25 Aegis in such amounts as shall be proven at trial;

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1 2. Judgment for all direct, consequential, and incidental damages against
2 Universal for its breach of the duty of good faith and fair dealing in an amount to
3 be proven at trial;
4

5 3. Judgment declaring the misdirected payment fee and other fees to be
6 unenforceable penalties;
7

8 4. Judgment for injunctive relief and an accounting;

9 5. Judgment for Aegis' reasonable attorneys fees and costs upon any
10 basis in statute, contract or recognized ground in equity; and
11

12 6. Judgment for such other or further legal or equitable relief as the
13 Court deems just in the premises.
14

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16 DATED: November 8, 2005.

STOEL RIVES LLP

17
18 /s/ A. Ingrid Anderson

A. Ingrid Anderson

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